AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos CA 94070

February 7, 2008 - Thursday — 10:00 AM

1. Pledge of Allegiance

2. Call to Order/Roll Call

3. Public Comment

4. Consent Calendar — RESOLUTION
   Members of the public or Board may request that an item under the Consent Calendar be considered separately
   a) Approval of Minutes of January 2, 2008
   b) Acceptance of the Statement of Revenues and Expenses, December 2007
   c) Authorization to File Applications to MTC to Program FTA Section 5307 and 5309 Funds in FY09

5. Chairperson's Report
   a) Resolution of Appreciation to Sophie Maxwell — RESOLUTION

6. MTC Liaison Report (Sue Lempert)

7. Report of the Citizens Advisory Committee

8. Report of the Executive Director
   a) Caltrain Performance Report – December 2007

9. Appointment of New JPB CAC Member, Francois Granade, Representing San Francisco County — MOTION

10. Adoption of Caltrain Short Range Transit Plan (FY2008-2017) — RESOLUTION

11. Authorization to Amend the Fiscal Year 2008 Operating Budget by $1,878,491 For a New Total of $89,956,069 — RESOLUTION

12. Authorization to Appoint an Investment Advisor to Extend Advice on Portfolio Investments for the JPB — RESOLUTION

13. Authorization to Use the Competitive Negotiation Procurement Process to Procure a Predictive Arrival/Departure System — RESOLUTION

14. Caltrain Customer Survey Key Findings — INFORMATIONAL

15. Correspondence

16. Board Member Requests

17. Date/Time of Next Meeting
    Thursday, March 6, 2008, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070

18. Report Legal Counsel
    a) Closed Session: Conference with Legal Counsel Pursuant to Government Code Section 54956.9 Pending Litigation Ismael Jimenez et al v Peninsula Corridor Joint Powers Board et al
    b) Closed Session: Anticipated Litigation Significant Exposure to Litigation Pursuant to Subdivision (c) of Section 54956.9 (One Potential Case)

19. Adjourn

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

If you have questions on the agenda, please contact the JPB Secretary at 650.508.6242. Assisted listening devices are available upon request. Agendas are available on the JPB Website at www.caltrain.com.

Location, Date and Time of Regular Meetings

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Ave., San Carlos, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The building is also accessible by SamTrans bus Routes: 260, 295, 390, 391, and KX.

The JPB meets regularly on the first Thursday of the month at 10 AM. The JPB Citizens Advisory Committee meets regularly on the third Wednesday of the month at 6 PM at the same location. Date, time and place may change as necessary.

Public Comment

If you wish to address the Board, please fill out a speaker's card located on the agenda table and hand it to the JPB Secretary. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the JPB Secretary, who will distribute the information to the Board members and staff.

Members of the public may address the Board on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to one minute and items raised that require a response will be deferred for staff reply.

Action

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the board.

Accessibility for Individuals with Disabilities

Upon request, the JPB will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the JPB Secretary at Peninsula Corridor Joint Powers Board, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or emailed to board@caltrain.com; or by phone at 650.508.6242, or TDD 650.508.6448.

Peninsula Corridor Joint Powers Board
Board of Directors Meeting
1250 San Carlos Avenue, San Carlos CA 94070

Draft

Minutes
January 3, 2008

MEMBERS PRESENT:	J. Cisneros (Chair), N. Ford, D. Gage, J. Hartnett, J. Hill, A. Lloyd, F. Williams, K. Yeager
MEMBERS ABSENT:	S. Maxwell
MTC LIAISON:	S. Lempert
STAFF PRESENT:	D. Auyoung, G. Cameron, C. Cavitt, B. Doty, V. Harrington, C. Harvey, R. Haskin, R. Lake, M. Lee-Skowronek, M. Martinez, I. McAvoy, N. McKenna, D. Miller, M. Scanlon, M. Simon, J. Willard

Chair José Cisneros, called the meeting to order at 10:03 a.m. and led the Pledge of Allegiance.

REPORT FROM NOMINATING COMMITTEE – ELECTION OF 2008 OFFICERS
Director Forrest Williams reported the nominating committee (Williams, Hill, Maxwell) recommends Director Jim Hartnett for Chair and Director Don Gage for Vice Chair. There were no nominations from the floor.

The motion (Hill/Lloyd) to recommend Directors Hartnett as Chair and Gage as Vice-Chair for 2008 was approved unanimously by roll call.

Following the election, Chair Harnett presided over the meeting.

PUBLIC COMMENT
Jack Ringham, Atherton, presented Chuck Harvey, Chief Operating Officer with an oversized rubber band with a card that read, “This huge rubber band is quite elastic. Make it stretch to bring service fantastic.”

Jerry Hill arrived at 10:06 a.m.

Doug DeLong, Mountain View, said the latest issue of *Train Magazine* mentions the unresolved labor issue with Amtrak and a possible strike by rail unions at the end of the month.

Pat Giorni, Burlingame, asked about the possibility of Caltrain trying to fund half the cost of fold-up bicycles. Caltrain is looking to alleviate the number of bicycles carried on the cars and a number of cyclists who ride to the station could have their fold-up in a rented locker, pick it up, and take it on the train as luggage.

Jeff Carter, Burlingame, thanked Caltrain for full service on the day after Thanksgiving and New Year’s Eve. He said he read in the paper recently the coverage on Caltrain 2025 and electrification. The San Francisco bike parking facility grand opening is January 9 and would like to reiterate the facility should be named in memory of Kap Thomas.

CONSENT CALENDAR

The Board approved the items under the Consent Calendar as follows:

a) Approval of Minutes of December 6, 2007
b) Acceptance of the Statement of Revenues and Expenses, November 2007
c) Authorizing Award of a Contract to Sire Technologies, Inc. for Provision of an Electronic Document and Records Management System and Software Maintenance and Support Services for a Fixed Price of $76,969
d) 2008 Caltrain State and Federal Legislative Program

CHAIRPERSON'S REPORT

- Chair Hartnett read the resolution of appreciation to outgoing Chair Cisneros. The resolution passed unanimously. Director Cisneros thanked the Board and staff for their hard work.
- A certificate of Appreciation was presented to outgoing Citizens Advisory Committee Chair, Michael Kiesling.

MTC LIAISON REPORT

Sue Lempert, MTC Liaison, reported that high speed rail will be on the ballot in 2008. At the last MTC Program and Allocations Committee meeting staff had prepared a list of projects. If you get on this list it means the project has a pretty good chance of being funded, if not sooner, then certainly later. Caltrain electrification, the Dumbarton rail extension, Transbay Terminal and an East Bay project were showing funding gaps as well as many of the other projects, but MTC staff was recommending that the funding gaps be addressed by high speed rail.
Ms. Lempert said that all the counties sitting at the Board table have a stake in these projects so support may be needed down the line.

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)

Michael Kiesling, CAC Chair, reported that Bruce Jenkins is the new Chair. At the December meeting the committee received a presentation on the analysis of what can be done in response to BART's decision to discontinue direct service between Millbrae and SFO.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon congratulated Directors Hartnett and Gage. Mr. Scanlon thanked Director Cisneros for his hard work as Chair last year.

Mr. Scanlon reported the following:

- Performance Statistics for November 2007 compared to November 2006:
    a. Total Ridership was 948,390, an increase of 9.2 percent.
    b. Average Weekday Ridership was 36,454, an increase of 9.3 percent.
    c. Total Revenue was $3,129,883, an increase of 18.2 percent.
    d. On-time Performance was 93.35 percent, a decrease of 1.8 percent.
    e. Caltrain Shuttle Ridership was 5,192, an increase of 4.9 percent.
- Year-to-Date Statistics:
    a. Total Ridership was 5,015,090, an increase of 8.1 percent.
    b. Average Weekday Ridership was 37,987, an increase of 7.7 percent.

c. Total Revenue was $16,826,603, an increase of 16.0 percent.
d. On-time Performance was 93.22 percent, a decrease of 1.3 percent.
e. Caltrain Shuttle Ridership was 5,292, an increase of 7.8 percent.

- Staff is analyzing ridership numbers for the day after Thanksgiving.
- Customers are experiencing some confusion with the BART changes from Millbrae to SFO, which is normal.
- The formal opening of Warm Planet Bike Valet at 4th and King is next Wednesday, January 9 at 11 a.m.
- Extra train service was provided for the Emerald Bowl and carried an additional 1,000 passengers.
- Sunday service was provided on Christmas and New Year's Day.
- Special service on New Year's Eve carried about 2,500-2,700 extra riders.
- The Martin Luther King Freedom Train will run on January 21. The train will leave San Jose at 10 a.m.
- The 98 train timetable is set to launch on March 3. Publicity and new schedules will be out in advance.
- Caltrain's Holiday Train had another successful year. Almost 4,200 toys were collected and $2,000 in cash donations were received. Since inception, nearly 35,000 toys have been collected.
- Weekend Edition and the Safety and Security Report are in the reading file.
- 26 weeks into the year, fuel is running 7.2 percent over budget.
- New electronic signs in Redwood City on Highway 101 near Whipple Avenue show drivers the drive time versus taking Caltrain from Redwood City to San Francisco.
- An Amtrak strike still a possibility. Staff has been advising the Board of the status of this long-standing labor dispute.
- Congressman Tom Lantos will not seek reelection due to illness. Mr. Scanlon will be sending Congressman Lantos a letter on behalf of the JPB, The San Mateo County Transit District and the San Mateo Transportation Authority expressing sentiments of the Boards.

Director Lloyd asked for an update on Amtrak employee strike threat. Mr. Harvey said President Bush formed a Presidential Emergency Board. After the committee does its research it will present a report to the president. The earliest Amtrak employees could strike is the close of business at the end of January.

AUTHORIZING THE EXERCISE OF A ONE-YEAR OPTION TO EXTEND THE CONTRACT WITH AMTRAK

Jerry Willard, Deputy Director of Rail Administration, said Caltrain currently is in the second year of a three-year base term with Amtrak. The original contract was approved in January 2005 with two option years. Amtrak provided the rates for the first option year, which included no increase to the fixed fee, but a 0.5 percent increase to the general administration overhead fee. JPB requested and Amtrak provided further justification on the increase. After evaluation staff concluded the proposal was both fair and reasonable. Staff is happy with the performance of Amtrak. By exercising the one-year option it allows staff to defer significant procurement and mobilization costs that would be incurred if proposals were sought now and a potential new contractor were selected.

The resolution (Hill/Cisneros) to exercise the one-year option to extend the contract with Amtrak was approved unanimously by roll call.

AUTHORIZING AWARD OF A CONTRACT TO PLASSER AMERICAN CORPORATION FOR PURCHASE AND DELIVERY OF ONE DYNAMIC TRACK STABILIZER FOR A TOTAL COST OF $1,631,814

George Cameron, Chief Administration Officer, said that Staff Coordinating Council recommends that the Board award a contract to the lowest responsive and responsible bidder, Placer American Corporation, for the purchase and delivery of one dynamic track stabilizer for a total price of $1,631,814. The dynamic stabilizer will eliminate the need to perform repeated passes of work trains and minimize running revenue traffic at restricted speeds. The stabilizer will be used on a number of projects, including the San Bruno grade separation and California Avenue. Staff has received a waiver from FTA on Buy America.

Director Gage asked if staff considering leasing the equipment out to other properties.
Mr. Scanlon said this is something that can be considered.

Public Comment
Jack Ringham, Atherton, doesn't see why this is so attractive. Why is this piece of equipment being purchased? Is it because the government is putting up 80 percent of the money and there will be less payroll costs and less to pay the contractors? What is the return on investment in purchasing this piece of equipment? The costs need to be quantitative to Caltrain and to the taxpayers.

Mr. Cameron said the payback is 3 ½ years. Mr. Scanlon said it also saves time to have this piece of equipment and that will result in cost savings.

Director Williams said that in the future a benefit analysis should be included in the staff report.

The resolution (Williams/Lloyd) to award the contract to Plasser American was approved unanimously by roll call.

PRESENTATION OF DRAFT CALTRAIN SHORT RANGE TRANSIT PLAN (FY2008-FY2017)

Marian Lee-Skowronek, Director of Planning, presented an overview of the plan:

- An annual plan is required by MTC and every fourth year a more detailed plan is required.
- To-date the biggest operational achievement has been the implementation of Baby Bullet service.
- Looking ahead 10 years there are big challenges.
- On the service side, a plan needs to be developed to implement the Caltrain 2025 program. This program is focused on how to expand capacity and improve access to the Caltrain stations to meet the growing demand and increase ridership.
- On the finance side, the agency must address capital and operating shortfalls.
- Service levels will increase from 96 to 110 trains by FY2014.
- Ridership is estimated to increase 58 percent by 2017.
- Operating costs are estimated to exceed revenue.
- Starting in FY2015, there is a projected surplus.
- Shuttle ridership is expected to increase 5 percent per year.
- The 10-year capital program budget is $1.8 billion.
- Formal Board adoption will be at the February meeting.

Director Gage asked about the increased numbers in ridership. Ms. Lee-Skowronek said they include current riders and projected riders.

Director Yeager asked about the surplus number and how electrification could take us out of the red. Ms. Lee-Skowronek said the big factors were ridership increase and operational efficiencies.

Director Yeager would like information on the additional riders and operating efficiencies. Ms. Lee-Skowronek said the operating efficiencies would be achieved by converting from diesel to electrification.

Director Williams asked about electrification and what is the major factor that will allow staff to achieve the projected ridership and revenue gains. Mr. Scanlon said it is primarily in the acceleration and deceleration of the trains. Mr. Scanlon said that with electrification there can be more stops.

Director Williams asked if the equipment would have to be changed out. Mr. Scanlon said equipment would have to be switched out to run electrification, but diesel trains could still run on these tracks.

Public Comment
Jeff Carter, Burlingame, asked when the draft plan would be available to the public. Mr. Carter also stated that he hoped patrons don't have to wait for electrification for service to be restored at some stations. Mr. Scanlon said the draft report will be available next week.

PRESENTATION ON THE TRANSBAY TERMINAL
Bob Beck, Senior Program Manager, and Bradford Townsend, Project Manager, from Transbay Terminal Joint Powers Authority (TTJPA) reported the following:

- 2007 was a good year for the Transbay Authority.
- Design of the temporary terminal has begun.
- Design and development competition was concluded for the transit center building and tower.
- Right-of-way purchases were initiated.
- Part I of the preliminary engineering was concluded.
- Money from Proposition H will be used by San Francisco to extend Caltrain to the Downtown Extension.
- San Francisco Terminal will be equipped for High Speed Rail.
- Conceptual design and cost estimate were just completed.
- The timeline for the project states that by 2012 Advance Contracts will be initiated and by 2019 DTX revenue service will begin.

Sue Lempert asked what the ridership expectations with this project are. Mr. Scanlon said that 50 percent of the trains will go to 4th and King and 50 percent will go to the Transbay Terminal. This project is still a work in progress project. Bob Doty, Rail Transformation Chief, said staff is looking at infrastructure.

Director Yeager asked about overall costs and funding. Mr. Townsend said they will be presenting to the Transbay Authority Board later this month. Director Yeager would like a presentation on this as well.

Director Yeager asked if San Francisco County has decided where its share of the funding for the electrification is coming from. Mr. Beck said he could not comment on this, but knows some funding is coming from Proposition H. Mr. Beck said Phase 1 is fully funded and Phase 2 is not completely funded.

Director Hill said he appreciates the cooperation of staff at Caltrain with the TTJPA. It will be an exciting new few years and it is a great project. It was San Francisco's decision to bring the trains into downtown San Francisco.

CORRESPONDENCE
Provided in the reading file.

BOARD MEMBER REQUESTS
None.

DATE/TIME OF NEXT MEETING
Thursday, February 7, 2008, 10 a.m. at San Mateo County Transit District Administrative Building, 1250 San Carlos Avenue, San Carlos CA 94070.

REPORT OF LEGAL COUNSEL
David Miller, Legal Counsel, is recommending that this item be moved to February. Mr. Miller said counsel has been in negotiation with Union Pacific and an oral offer has been made by Union Pacific relative to the removal of the hazardous material at the Caltrain Centralized Equipment Maintenance and Operations Facility. During the month of December legal counsel met with staff and consultants and formulated a response in writing that went out over holidays.

ADJOURNED
The meeting adjourned at 11:50 a.m.

AGENDA ITEM # 4 (b)
FEBRUARY 7, 2008

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Virginia Harrington
Chief Financial Officer

SUBJECT: **STATEMENT OF REVENUE AND EXPENSE FOR THE PERIOD ENDING DECEMBER 31, 2007 AND SUPPLEMENTAL INFORMATION**

ACTION

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenue and Expense for the month of December 2007 and supplemental information.

SIGNIFICANCE

Revenue: For December of fiscal year 2008, *Total Operating Revenue* (line 7) is ***better*** than budget by $2,099,866 or 9.9 percent. This is due to higher than anticipated *Farebox Revenue* (line 1), *Parking Revenue* (line 2), *Rental Income* (line 4) and *Other Income* (line 5) which together were $2,116,030 or 10.2 percent ***better*** than budget and is offset by *Shuttles* (line 3), which is ***worse*** than budget by $16,163 or 3.0 percent. Compared to the prior year, *Total Operating Revenue* (line 7) is $3,055,230 or 15.1 percent ***higher***.

Expense: *Grand Total Expense* (line 47) shows a favorable variance of $3,510,947 or 8.0 percent ***better*** than budget. *Contract Operating & Maintenance* (line 24) costs are $2,632,005 or 9.6 percent ***better*** than budget, *Facilities and Equipment Maintenance* (line 29) costs are $394,915 or 41.5 percent ***better*** than budget, *Utilities* (line 30) costs are $361,813 or 42.3 percent ***better*** than budget and *Total Administrative Expense* (line 41) costs are $488,761 or 11.8 percent ***better*** than budget. However, shortfalls in these items are due to timing and are expected to approach budget as the fiscal year progresses. *Fuel* (line 26) costs are $506,533 or 8.9 percent ***worse*** than budget as a result of volatility in the fuel market. The fuel costs were budgeted at $2.40 per gallon whereas the average price as of the end of December was $2.78 per gallon. Staff is proposing a budget amendment that is being presented at this meeting to increase the budgeted fuel price from $2.40 per gallon to $2.65 per gallon.

Compared to prior year, *Grand Total Expense* (line 47) is $3,206,345 or 8.7 percent ***higher***. The increase in expenses over the prior year are mainly due to the rise in *Contract Operating & Maintenance costs* (line 24), the increased cost of *Fuel* (line 26) and *Wages & Benefits* (line 35). The current year expenses also include start up cost for CEMOF.

Budget Revisions: There are no budget revisions this month.

Prepared by:	Rima Lobo, Manager, Financial Services	650.508.6274
	Ed Hung, Senior Accountant	650.508.6358

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF REVENUE AND EXPENSE
FISCAL YEAR 2008
DECEMBER 2007

% OF YEAR ELAPSED 50.0%

	MONTH	YEAR TO DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	REVISED BUDGET	% REV BUDGET	APPROVED BUDGET	REVISED BUDGET (AS PROJECTED)	% REV BUDGET
REVENUE								
OPERATIONS:								
Farebox Revenue	2,826,081	16,975,039	19,653,424	17,982,994	109.3%	36,686,340	36,686,340	53.6%
Parking Revenue	182,910	818,093	1,019,362	920,460	110.7%	1,841,000	1,841,000	55.4%
Shuttles	89,181	503,548	526,561	542,724	97.0%	1,085,509	1,085,509	48.5%
Rental Income	132,099	724,100	772,229	700,360	110.3%	1,401,210	1,401,210	55.1%
Other Income	226,986	1,236,735	1,341,169	1,066,340	125.8%	2,129,670	2,129,670	63.0%
TOTAL OPERATING REVENUE	3,457,257	20,257,514	23,312,744	21,212,878	109.9%	43,143,729	43,143,729	54.0%
CONTRIBUTIONS:								
AB-434-Peninsula Feeder Shuttle	86,196	513,221	517,178	517,178	100.0%	1,034,355	1,034,355	50.0%
FTA Operating/Planning Grant	31,051	0	81,410	65,109	125.0%	193,000	193,000	42.2%
STA Operating Grant	6,480	0	38,880	38,880	100.0%	78,000	78,000	49.8%
JPB Member Agencies	3,189,044	15,895,427	19,134,266	19,134,265	100.0%	38,268,530	38,268,530	50.0%
Other Sources	18,684	273,850	457,153	457,153	100.0%	5,359,964	5,359,964	8.5%
TOTAL REQUIRED REVENUE	3,331,455	16,682,498	20,228,887	20,212,585	100.1%	44,933,849	44,933,849	45.0%
GRAND TOTAL REVENUE	**6,788,712**	**36,940,013**	**43,541,631**	**41,425,463**	**105.1%**	**88,077,578**	**88,077,578**	**49.4%**
EXPENSE								
OPERATING EXPENSE:								
Contract Operating & Maintenance	3,850,401	23,805,754	24,719,814	27,351,819	90.4%	55,847,740	55,847,740	44.3%
Shuttles (Including Peninsula Pass)	234,319	1,373,678	1,406,998	1,417,270	99.3%	2,834,540	2,834,540	49.6%
Fuel	1,106,178	5,245,893	6,212,489	5,705,956	108.9%	11,411,992	11,411,992	54.4%
Timetables & Tickets	6,908	59,611	92,059	132,500	69.5%	223,000	223,000	41.3%
Insurance	268,297	1,637,856	1,765,074	1,904,988	92.7%	3,810,000	3,810,000	46.3%
Facilities and Equipment Maintenance	130,268	466,727	555,619	950,534	58.5%	2,393,440	2,393,440	23.2%
Utilities	67,756	493,640	494,039	855,852	57.7%	1,712,700	1,712,700	28.8%
Services	64,910	381,315	469,669	583,288	80.5%	1,162,660	1,162,660	40.4%
TOTAL OPERATING EXPENSE	5,729,036	33,464,474	35,715,760	38,902,207	91.8%	79,396,072	79,396,072	45.0%
ADMINISTRATIVE EXPENSE:								
Wages & Benefits	510,060	2,250,428	2,624,091	2,722,075	96.4%	5,466,425	5,442,942	48.2%
Board Of Directors	1,076	6,442	5,101	8,150	62.6%	16,300	16,300	31.3%
Professional Services	102,701	496,802	467,186	760,706	61.4%	1,519,350	1,523,208	30.7%
Communications/Marketing	12,147	49,391	43,277	140,500	30.8%	331,500	333,000	13.0%
Other Office Expense and Services	70,758	490,121	526,200	523,184	100.6%	981,272	999,397	52.7%
TOTAL ADMINISTRATIVE EXPENSE	696,741	3,293,184	3,665,854	4,154,615	88.2%	8,314,847	8,314,847	44.1%
Head End Power (HEP) Debt Service	185,038	182,354	307,590	183,330	167.8%	366,659	366,659	83.9%
CEMOF - Startup Expenses	18,684	-	457,153	457,153	100.0%	-	1,488,233	30.7%
GRAND TOTAL EXPENSE	**6,629,499**	**36,940,013**	**40,146,358**	**43,697,305**	**91.9%**	**88,077,578**	**89,565,811**	**44.8%**

"% OF YEAR ELAPSED" provides a general measure for evaluating overall progress against the annual budget. When comparing it to the amounts shown in the "% REV BUDGET" column, please note that individual line items reflect variations due to seasonal activities during the year.

1/16/08 5:25 PM

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF DECEMBER 31, 2007

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
County Pool # 3 (Capital projects, other)	Liquid Cash	4.54%	27,928,719	27,824,351
County Pool # 3 (Restricted)	Liquid Cash	4.54%	2,000,000	1,992,526
			29,928,719	29,816,878

Accrued Earnings for December 2007 $122,255.39 (1)
Cumulative Earnings FY2008 $617,166.25

(1) Earnings do not include prior period adjustments

* County Pool average yield for the month ending December 31, 2007 was 4.54%. As of December 31, 2007, the amortized cost of the Total Pool was $2,824,887,348.97 and the fair market value per San Mateo County Treasurer's Office was $2,814,330,986.93.

** The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564. The Joint Powers Board has the ability to meet its expenditure requirements for the next six months.

AGENDA ITEM # 4 (c)
FEBRUARY 7, 2008

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Ian B. McAvoy
Chief Development Officer

SUBJECT: **AUTHORIZE FILING OF APPLICATIONS TO MTC TO PROGRAM FTA SECTION 5307 AND 5309 FIXED GUIDEWAY (FG) FUNDS FOR CALTRAIN CAPITAL PROJECTS**

ACTION

Staff Coordinating Council (SCC) recommends the Board authorize the Executive Director to submit applications to the Metropolitan Transportation Commission (MTC) to program Federal funding from the Section 5307 Urbanized Area Formula Program and the Section 5309 Fixed Guideway Program funds for Caltrain Capital projects.

SIGNIFICANCE

Staff is proposing to submit applications to MTC to program Federal funds in Fiscal Year (FY) 2009 to the following projects in support of the Caltrain Capital Program. The applications consist of the following Caltrain capital projects:

Project	Project Cost
• Bridge Rehabilitation/Replacement Program	$27,500,000
• Track and Infrastructure Replacement/Rehabilitation Program	$9,580,000
• Signal, Communication and Radio Equipment Replacement/Rehab Program	$9,820,000
• Systemwide Security (Fencing)	$1,500,000
TOTAL	$48,400,000

The projects listed above are included in the FY 2008-2017 Caltrain Short Range Transit Plan and, if programmed by MTC, will be proposed for incorporation as part of the FY09 Capital Budget.

BUDGET IMPACT

Federal Section 5307 and 5309 funds require a 20 percent local match. Required matching funding will be proposed for inclusion as part of the JPB's Capital Budget process for FY09.

BACKGROUND

MTC is soliciting transit projects from eligible federal grantees for programming an estimated $316 million annual regional apportionment for FY09 Federal Transit Administration (FTA) Section 5307 and 5309 Fixed Guideway funds. The selection of projects will be based on MTC's Transit Capital Priorities process and criteria, which are intended to fund transit projects that are most essential to the region and consistent with Transportation 2030, the region's 25-year plan. Final approval of projects recommended by MTC in the Transportation Improvement Program (TIP) is anticipated to occur in March 2008.

Prepared by: Joel Slavit, Manager, Capital Programs & Grants 650.508.6476

RESOLUTION NO. 2008 -

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

* * *

AUTHORIZING THE FILING OF APPLICATIONS WITH THE METROPOLITAN TRANSPORTATION COMMISSION (MTC) TO PROGRAM FTA SECTION 5307 AND 5309 FIXED GUIDEWAY FUNDING FOR CALTRAIN CAPITAL PROJECTS

WHEREAS, the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (Public Law 109-59, August 10, 2005) continues the Federal Transit Administration Formula Programs (23 U.S.C. §53); and

WHEREAS, pursuant to SAFETEA-LU, and the regulations promulgated thereunder, eligible project sponsors wishing to receive Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula and Section 5309 Fixed Guideway (FG) grants for a project shall submit an application first with the appropriate metropolitan transportation planning organization (MPO), for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

WHEREAS, MTC is the MPO for the San Francisco Bay region; and

WHEREAS, the Peninsula Corridor Joint Powers Board is an eligible project sponsor for FTA Section 5307, and FTA 5309 FG funds; and

WHEREAS, the Peninsula Corridor Joint Powers Board wishes to submit grant applications to MTC to program funds from the FY 2008-09 FTA Section 5307 and FTA 5309 FG Programs for Caltrain capital projects; and

WHEREAS, MTC requires, as part of the applications, a resolution stating:

1) That the sponsor will commit necessary local matching funds of at least of 20%

for FTA Section 5307 and FTA Section 5309 FG funds; and

2) That the sponsor understands that the FTA Section 5307 and FTA Section 5309 FG funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded from FTA Section 5307, FTA Section 5309 FG funds; and

3) That the sponsor will complete the project as described in the application, and if approved, as programmed in MTC's TIP; and

4) That the sponsor understands that FTA funds must be obligated within three years of programming in the TIP, or the project may be removed from the program.

NOW, THEREFORE, BE IT RESOLVED that the Peninsula Corridor Joint Powers Board hereby authorizes the Executive Director to execute and file applications with MTC to program FTA Section 5307 and FTA Section 5309 FG funding for the following projects:

Project	Project Cost
• Bridge Rehabilitation/Replacement Program	$27,500,000
• Track and Infrastructure Replacement/Rehabilitation Program	$9,580,000
• Signal, Communication and Radio Equip. Replacement/ Rehab. Program	$9,820,000
• Systemwide Security (Fencing)	$1,500,000
Total	$48,400,000

BE IT FURTHER RESOLVED that the Peninsula Corridor Joint Powers Board by adopting this resolution does hereby state that:

1) It will provide local matching funds for the Federal amounts MTC will program to the cost of the aforementioned projects of at least 20% for FTA Section 5307 and FTA Section 5309 FG funds, subject to the Peninsula Corridor Joint Powers Board's annual budget approval process; and

2) It understands that the FTA Sections 5307 and 5309 FG funding for the aforementioned projects are fixed and that any cost increases cannot be expected to be funded with FTA Sections 5307 and 5309 FG Program funds; and

3) The projects listed within will be built as described in this resolution and, if approved, for the amount shown in MTC's TIP; and

4) The program funds will be obligated within three years of being programmed in the TIP; and

5) There is no legal impediment to the Peninsula Corridor Joint Powers Board making applications for FTA Sections 5307 and 5309 FG; and

6) There is no pending or threatened litigation which might in any way adversely affect the proposed list of projects, or the ability of the Peninsula Corridor Joint Powers Board to deliver such projects.

BE IT FURTHER RESOLVED that a copy of this resolution will be transmitted to MTC prior to MTC programming the FTA Section 5307 and 5309 FG funded projects in the TIP; and

BE IT FURTHER RESOLVED that MTC is requested to support the applications for the projects described in the resolution and to program the projects, if approved, in MTC's TIP**.**

Regularly passed and adopted this 7th day of February 2008, by the following vote:

AYES:

NOES:

ABSENT:

____
Chair, Board of Directors

ATTEST:

____
JPB Secretary

Resolution No. 2008-05

Resolution of Appreciation

Presented To:

SOPHIE MAXWELL

WHEREAS, for more than six years, **SOPHIE MAXWELL** served on the Peninsula Corridor Joint Powers Board as the representative of the San Francisco Board of Supervisors, a tenure that has come to a conclusion due to her assignment as the city's representative to the Bay Conservation and Development Commission; and

WHEREAS, during her tenure, **DIRECTOR MAXWELL** brought to the position a common-sense awareness of the needs of the railroad and the men and women who operate it, reflective of her experience as a union electrician for Amtrak, repairing Caltrain rolling stock; and

WHEREAS, whether it was offering to advance a partner agency's share of critical funding for electrification, frankly urging all the partner agencies to openly discuss the long-term funding necessary to secure the future of Caltrain, or supporting changes in rail service that directly impacted her community, **DIRECTOR MAXWELL** has been a selfless and broad-minded supporter of the growth and reinvention of the railroad; and

WHEREAS, as plans have advanced for the reinvention of Caltrain as an electrified rapid rail system, **DIRECTOR MAXWELL** has been a critical sounding-board and an enthusiastic backer of long-range visions of the railroad and has been a particular source of encouragement to staff in these endeavors; and

WHEREAS, during the tenure of **DIRECTOR MAXWELL** on the Board, Caltrain undertook the most ambitious construction program in the 143-year history of the railroad, resulting in improvements that allowed the reinvention of Caltrain as a commuter rail service and resulted in record growth in ridership and revenues.

THEREFORE, BE IT RESOLVED, that the Peninsula Corridor Joint Powers Board thanks and commends **SOPHIE MAXWELL** for her six years of service on the Board, and wishes her well in her new and continuing efforts on behalf of the people of the greater Bay Area community.

Caltrain

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Chair, Board of Directors

AGENDA ITEM # 8 (a)
FEBRUARY 7, 2008

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: C.H. (Chuck) Harvey
Chief Operating Officer

SUBJECT: **Key Caltrain Performance Statistics— December 2007 (Table A, Graph A)**

For December 2007, Caltrain average weekday ridership increased by 6.3 percent when compared to December 2006. Average weekday ridership based on ticket sales was 32,646 for December 2007, an increase of 1,937 over December 2006. The total number of passengers for the month of December was 853,402. This is a 6.5 percent increase compared to last year's December total of 801,406.

For December 2007, on-time performance was 95.1 percent. This represents a decrease of 2.4 percent from the previous year, but meets the 95 percent on-time performance goal. December ends an eight-month run of on-time performance below the 95 percent performance goal. However, on-time performance will still be monitored for the impact of increased dwell times and mechanical delays.

Average weekday shuttle ridership for December was 4,102, an 8 percent increase from December 2006. The Broadway shuttle averaged 69 weekday riders. The Tamien shuttle averaged 36 weekend day riders. Google has agreed to sponsor the Mary/Moffett route as Sun has closed its facility. Genentech's shuttle move to Millbrae now allows shuttle riders use Baby Bullet service.

Table A shows performance indicators for December 2007 and Graph A shows average weekday ridership for the past 13 months as compared to the rolling average.

Caltrain December 2007 Promotions

Caltrain Holiday Train – For the past six years, early December has heralded the arrival of the Caltrain Holiday Train, which gets the season off to a bright start. This spectacularly decorated train lights up the faces of thousands of kids of all ages who come out to see it during its annual visits to the Peninsula and bring toy donations. The Dec. 8 and 9 event benefits the U.S. Marine Corps' Toys for Tots Program and the Salvation Army, which are involved as partners in decorating the train, providing entertainment and collecting the toys. The campaign to promote the Holiday Train began in November, with print, radio and TV advertisements, public service announcements and a direct mail campaign to residents and businesses of the Mission Bay area of San Francisco, and the distribution of thousands of Holiday Train brochures throughout the Peninsula. The event wouldn't be possible without support from dozens of community volunteers and Caltrain and SamTrans employees, who help decorate the train, take on the role of costumed characters and staff stations as ambassadors. More than 10,000 hits were registered on the Caltrain Holiday Train Webpage and Caltrain gathered 4,179 toys and $1,900 in cash donations for the Toys for Tots program.

San Jose Sharks – This year's cooperative promotion with the San Jose Sharks includes a brochure, train card and a scoreboard announcement during the game by Sharkie, the Sharks' mascot, announcing the departure time for Caltrain. To date, ridership on Caltrain to Sharks' games is up by 9 percent.

New Year's Eve – Caltrain used a radio campaign to announce that customers could ride free after 11 pm on New Year's Eve and that special service was available for late-night revelers. More than 100 ads ran on several stations with varying formats including: soft jazz, progressive talk, hip-hop, jazz and rock. The three special trains departed San Francisco after midnight and carried 2,530 riders, a slight decrease from last year.

Highway 101 – New visual message signs were installed on Highway 101 in Millbrae and Redwood City to inform drivers about travel times to San Francisco and San Jose by car and Caltrain. The program, which was funded by the San Mateo County Transportation Authority and Caltrans, aims at convincing drivers to try Caltrain and save time and money in the process. The campaign includes print ads in local newspapers in December and January.

Shopping Spree – An ad which encouraged shoppers to ride Caltrain during the holiday shopping season appeared in the December edition of Parenting on the Peninsula. The monthly magazine is distributed throughout San Mateo County and features articles of local interest.

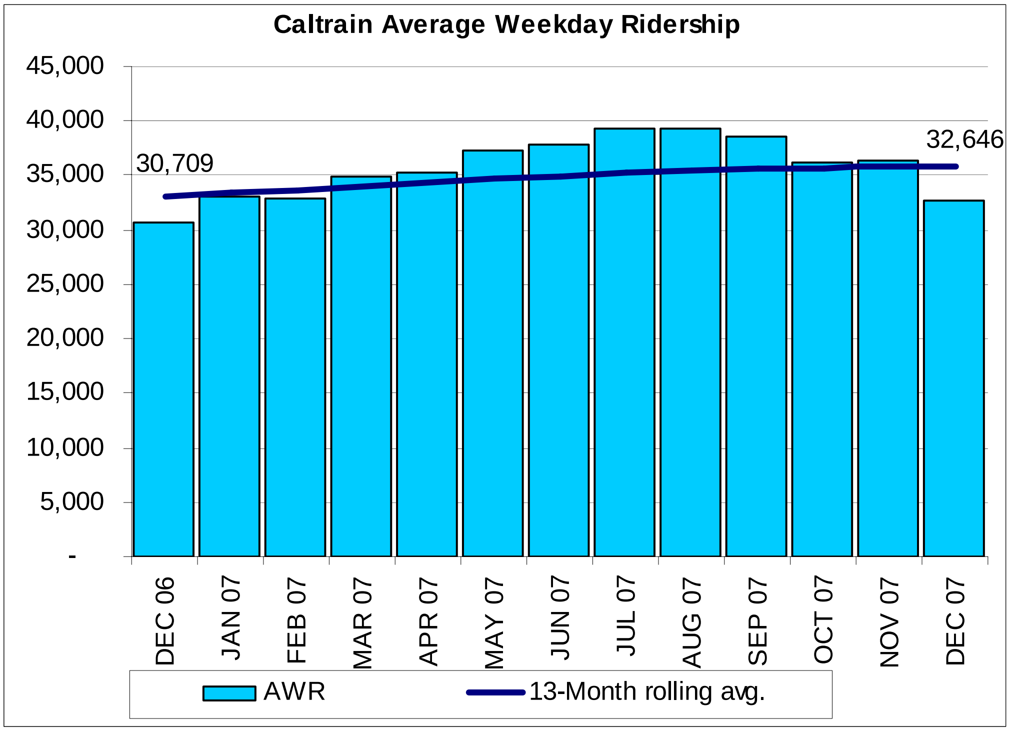
Prepared by:	Iris Yuan, Senior Operations Analyst	650.508.7913
	Patrick Boland, Marketing Manager	650.508.6245

Table A

	December 2007		
	FY 07	**FY 08**	**%Change**
Total Ridership	801,406	853,402	6.5%
Average Weekday Ridership	30,709	32,646	6.3%
Total Revenue	$2,461,049	$2,826,081	14.8%
On Time Performance	97.5%	95.1%	-2.5%
Caltrain Shuttle Ridership	3,798	4,102	8.0%

	Year to Date		
	FY 07	**FY 08**	**%Change**
Total Ridership	5,441,412	5,868,492	7.8%
Average Weekday Ridership	34,515	37,097	7.5%
Total Revenue	$16,972,409	$19,652,683	15.8%
On Time Performance	95.0%	93.5%	-1.5%
Caltrain Shuttle Ridership	4,724	5,094	7.8%

Graph A



AGENDA ITEM # 10
FEBRUARY 7, 2008

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
General Manager/CEO

FROM: Ian McAvoy
Chief Development Officer

SUBJECT: **ADOPTION OF CALTRAIN SHORT RANGE TRANSIT PLAN (FY 2008 – FY 2017)**

ACTION

Staff Coordinating Council (SCC) recommends Board approval of the Caltrain Short Range Transit Plan (FY 2008 – FY 2017).

SIGNIFICANCE

Every four years the Metropolitan Transportation Commission requires Bay Area transit districts to prepare and submit a "Full" Short Range Transit Plan. The SRTP fulfills regulatory requirements by the Federal Transit Administration (FTA) and the Metropolitan Transportation Commission (MTC) and serves as a mid-term planning document that justifies funding requests and helps implement the MTC Regional Transportation Plan (RTP) and Transportation Improvement Plan (TIP).

The SRTP reflects the major challenges faced by the District. The major components contained in the SRTP are the Districts' Trends, Operations Plan and Budget and Capital Improvement Program. Staff provided a presentation of the Draft SRTP at the January 3 Board meeting as well as the January 16 CAC meeting. Comments by the Board and CAC members have been addressed in the final document. The Executive Summary is attached and the full document will be available at the Board meeting.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

The MTC requires the preparation of "Full" SRTPs every four years and "Mini" SRTPs in each of the in between years focused on updating of capital priorities and operating plan. Both the

“Mini” and “Full” plans provide Caltrain’s operating plan and capital investment plan to a 10-year horizon. The “Full” plan is more extensive in that it also provides an overview of the transit system, goals and performance measures, information on service and system evaluation and other ancillary items. This year, a “Full” plan is required.

Prepared by: Marian Lee-Skowronek, Director, Planning & Development 650.622.7843

EXECUTIVE SUMMARY

INTRODUCTION

Every year the Peninsula Corridor Joint Powers Board (JPB), which oversees Caltrain commuter rail service, updates its 10-year Short Range Transit Plan (SRTP). The plan follows a set of guidelines prescribed by the Metropolitan Transportation Commission (MTC). There is a four-year planning cycle. For each of three years, a “mini” SRTP is required by the MTC. In the fourth year, a “full” SRTP is required. Both the “mini” and “full” plans provide JPB’s operating and capital investment plan to a 10-year horizon. The “full” plan is more extensive in that it also provides an overview of the transit system, goals and performance measures, information on service and system evaluation and other ancillary items. This plan is a “full” SRTP. The following provides a summary of the SRTP and includes Caltrain’s major issues, challenges and highlights of the operating and capital investment plan.

POLICY CONTEXT

This SRTP reflects two planning documents that address the long-term vision for Caltrain service. The *Caltrain Strategic Plan* (adopted by the JPB Board in 2004) defines policy for evolving Caltrain service into the “preferred mode of travel along the Peninsula Corridor.” *Caltrain 2025* (adopted in concept by the JPB Board in 2006) defines a program for achieving the vision by transforming the existing commuter service into a rapid rail system. The centerpiece of this transformation is the electrification of the railroad from San Francisco to San Jose and deployment of electric multiple unit (EMU) rolling stock. Use of modern, light-weight EMU vehicles and the latest train control technology will allow Caltrain to offer more frequent service and shorter commute times, while still accommodating heavy rail diesel trains where needed. Implementation of *Caltrain 2025* will allow Caltrain to operate a more efficient, flexible and reliable service that will meet the enhanced scenario of the *Caltrain Strategic Plan* that envisions rapid service and increased ridership.

The SRTP assumes reliability and efficiency improvements to the existing system and implementation of the electrification phase of *Caltrain 2025*.

OPERATIONAL CHALLENGES

The key challenges in the next 10 years include expanding capacity to meet growing demand and increased ridership and addressing the regulatory restrictions to support the *Caltrain 2025* vision.

Today, Caltrain runs 96 weekday trains. Caltrain is close to capacity at seasonal and hourly peaks, especially during baseball season with increased ridership to AT&T Park, home of the San Francisco Giants. The addition of eight cars in 2008 will increase train capacity. However, standees during peak periods are expected leading up to electrification in 2014 and in the last years of this plan (post-electrification) with 110 trains.

JPB staff is currently working with regulators to obtain appropriate exceptions to allow the realization of *Caltrain 2025*. Current rules prohibit operation of lighter-weight EMU trains and heavy rail diesel trains on the same right of way. Caltrain envisions operation of both types of equipment over portions of the corridor and is seeking a waiver to these Federal Railroad Administration restrictions.

OPERATING PLAN AND BUDGET

The 10-year Financial Plan shows a deficit in FY2009 through FY2014. JPB's structural deficit is the result of operating and maintenance costs exceeding revenues, which include fares, partner contributions and other sources. Even though the implementation of Baby Bullet service has resulted in significant ridership increases, JPB will not be able to overcome the structural deficit until the system is electrified with 110 trains to support more riders, or additional subsidies are secured. JPB staff is currently developing financing strategies to balance the annual budget through FY2014.

By FY2015, Caltrain is expected to have excess funds, assuming continued increase in partner contributions, significant ridership growth as projected and operational efficiencies. Ridership projections, a key factor affecting the 10-year operating budget, are be updated with current land use projections and operating schedules and will be reflected in future SRTPs.

The operating budget assumes the following:

- Increase in weekday service levels from 96 trains to 110 trains;
- Increase in ridership of approximately 58 percent by FY2017;
- Increase in fare of 25 cents every other year; and
- Increase in operating costs of 3 percent (on average) per year.

CAPITAL IMPROVEMENT PLAN

The Caltrain 10-Year CIP is $1.8 billion and focused on maintaining a state-of-good repair and electrifying Caltrain from San Francisco to San Jose with electrically powered rolling stock scheduled to begin service in 2014. Based on funding availability, the CIP currently includes only a portion of the Caltrain 2025 program capital improvements.

Revenue sources included in the CIP reflect Caltrain's reasonable expectation of funding levels. Caltrain will, however, continue to work with its funding partners to solidify the Caltrain 10-year CIP funding plan and identify additional funding to implement the CIP, including the Caltrain 2025 projects, in total. Among other options, Caltrain will explore both traditional (e.g. bond issuance) and innovative funding (e.g. public private partnerships) strategies.

RESOLUTION NO. 2008 –

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

*** * ***

<u>ADOPTION OF</u>
<u>CALTRAIN SHORT RANGE TRANSIT PLAN (FY 2008 – FY 2017)</u>

WHEREAS, in order to comply with federal and state requirements, the Peninsula Corridor Joint Powers Board ("JPB") prepares and submits a Short Range Transit Plan to the Metropolitan Transportation Commission which is used to update the Regional Transportation Plan and the Transportation Improvement Program; and

WHEREAS, the Caltrain Short Range Transit Plan FY 2008 – FY 2017 (the "Plan") is an important mid-term planning document justifying grant applications to the state and federal governments and includes information about JPB's vision and guiding principles, operating plan and budget and capital improvement program; and

WHEREAS, the "Plan", is based on the *Caltrain Strategic Plan* adopted by the JPB in 2004 which defines policy for evolving Caltrain service into the "preferred mode of travel along the Peninsula Corridor" and *Caltrain 2025* adopted in concept by the JPB in 2006 which defines a program for achieving the vision by evolving the existing commuter service into a rapid rail system.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby adopts the final draft of the 2007 Short Range Transit Plan.

Regularly passed and adopted this (date) by the following vote:

____

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

____

JPB Secretary

AGENDA ITEM# 11
FEBRUARY 7, 2008

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Virginia Harrington
Chief Financial Officer

SUBJECT: **AUTHORIZING AMENDMENT OF FISCAL YEAR 2008 OPERATING BUDGET**

ACTION

Staff Coordinating Council (SCC) recommends the Board adopt a resolution authorizing the amendment of Operating Revenues by $1,878,491 and Operating Expenses by $1,878,491. (See Attachment A.) Most of the increased revenues are derived from the excess farebox revenue that has been received up to December 2007 which will primarily be used to fund the increased cost of fuel. This revises the Fiscal Year 2008 Operating Budget to a new total of $89,956,069, which includes the following:

REVENUES:

1. Farebox Revenue: Increase of $1,666,491 to reflect higher than anticipated farebox revenue.
2. FTA Operating/Planning Grants: Increase of $99,000 comprised of an additional $29,000 for the Caltrain Bicycle Master Plan and an additional $70,000 for the Short Range Transit Plan (SRTP).
3. State/Local Operating Grant: Increase of $113,000 for a new agreement with Warm Planet Bikes for operation of the San Francisco Bike Facility.

EXPENSES:

1. Rail Operator Service: Increase of $100,000 to match current expenditures for security services.
2. Shuttle Service: Increase of $30,000 to operate a pilot shuttle program from Belmont to Hillsdale stations.
3. Fuel: Increase of $1,042,583 to reflect a projected average price per gallon of $2.65 from the budgeted estimate of $2.40.
4. Professional Services: Increase of $212,000 to reflect increased expenditures for the Caltrain Bicycle Master Plan and the SRTP in addition to the new expenditures for the San Francisco Bike Facility.
5. Debt Service: Increase of $493,908 to reflect the new debt issuance completed this fiscal year.

SIGNIFICANCE

Farebox revenue: Increase of $1,666,491 from $36.7 million to $38.4 million.
FY08 has experienced positive trends in farebox revenue as seen in the year to date ending December 31, farebox revenues are $1.67 million over budget. The requested increase of $1.67 Million represents a 4.5 percent increase over the adopted budget.

FTA Operating/Planning Grants: Increase of $99,000 from $193,000 to $292,000.
Short Range Transit Plan: Increase of $70,000
The SRTP is a planning document that includes a detailed action and financial plan and strategies and policies for service operation and capital acquisition. The Metropolitan Transportation Commission (MTC) is funding a total of $86,520; $16,520 for the Mini-SRTP and $70,000 for the Full SRTP.

The FY08 adopted operating budget included $16,000 to complete the Mini-SRTP. The Board adopted the Mini-SRTP on February 1, 2007.

Staff is currently in the process of finalizing the full SRTP; and is requesting $70,000 from MTC to complete the project.

Caltrain Bicycle Master Plan: Increase of $29,000
The Bicycle Master Plan is focused on increasing ridership by retaining existing and attracting additional bicyclists while also addressing improvement of station access and the provision and management of improved bicycle parking facilities. The total cost of the Caltrain Bicycle Master Plan is $250,000 and was approved in the Fiscal Year 2007 revised operating budget.

As this is a multi-year project, $177,000 was included in the FY08 operating budget. Due to timing, some work was not completed in FY07, resulting in a FY08 balance of $206,000.

State/Local Operating Grant: New funding of $113,000; increase from $78,000 to $191,000.
Caltrain has entered into an agreement with Warm Planet Bikes to operate the San Francisco Caltrain bicycle parking facility for a three-year period. This is a re-collectible project with $300,000 from Congestion Mitigation and Air Quality and $39,000 from Proposition K funds. The first year's operating costs are $113,000.

Rail Operator Service: Increase of $100,000 from $55.8 million to $55.9 million.
Security Services budget increase reflects the current annualized year to date expenditures.

Shuttles: Increase of $30,000 from $2.83 million to $2.86 million.
As of March 3, parking fees will be suspended at the Belmont station to undertake a shuttle pilot program. A new shuttle will be offered from the Belmont station to the Hillsdale station to connect with Baby Bullet train service.

Fuel: Increase of $1.0 million from $11.4 million to $12.4 million.
The current fuel budget of $11.4 million estimates consumption of 4.4 million gallons at $2.40/gallon. With increasing fuel costs, the projected average price per gallon is estimated to be $2.65 from December 2007 through June 2008 totaling $12.4 million for the year. This results in an increase of $1.0 million to the fuel budget. This includes all sales taxes and any additional taxes.

Professional Services: Increase of $212,000 from $1.5 million to $1.7 million.
This increase is comprised of the following items that are referenced above:
SRTP – Increase of $70,000
Caltrain Bicycle Master Plan – Increase of $29,000
San Francisco Bike Parking Facility – New funding of $113,000

Debt Service: Increase of $493,908 from $366,659 to $860,567.
In April 2007, the Board granted authorization to initiate a 2007 debt issuance.
The 2007 Rail Car Financing provides financing for Caltrain to acquire eight passenger rail cars and includes the refinancing of the JPB's outstanding 1999 farebox revenue bonds. This results in an increase in the annual debt service of $493,908.

BUDGET IMPACT

The above changes would increase the authorized FY08 Operating Budget from $88,077,578 to $89,956,069, or an increase of $1,878,491. No additional JPB member contributions will be required.

BACKGROUND

The JPB approved the FY08 Operating Budget on June 7, 2007 under Resolution 2007-26. The Board authorized a total budget in the amount of $88,077,578. The JPB annually adopts an Operating Budget which outlines the expected funding sources and uses that represent the JPB's year-long commitment to transportation projects and services.

Prepared By:	Virginia Harrington, Chief Financial Officer	650.508.7950
	Ladi Millard, Manager, Budgets	650.508.7755

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
PROPOSED REVISED BUDGET
FY2008

		FY2006 ACTUAL A	FY2007 ADOPTED B	FY2007 REVISED C	FY2008 ADOPTED D	FY2008 REVISED E	INC(DEC) FY08 ADOPTED to FY08 REVISED F = (E-D)	
	REVENUE							
	OPERATIONS:							
1	Farebox Revenue	30,376,327	32,591,503	33,067,003	36,686,340	38,352,831	1,666,491	1
2	Parking Revenue	1,613,189	1,783,000	1,783,000	1,841,000	1,841,000	-	2
3	Shuttles	1,019,497	1,147,768	1,147,768	1,085,509	1,085,509	-	3
4	Rental Income	1,309,681	1,263,600	1,263,600	1,401,210	1,401,210	-	4
5	Other Income	2,402,118	2,496,880	2,496,880	2,129,670	2,129,670	-	5
6	TOTAL OPERATING REVENUE	36,720,812	39,282,751	39,758,251	43,143,729	44,810,220	1,666,491	6
7								7
8	CONTRIBUTIONS:							8
9	AB434 Peninsula Feeder Shuttle	1,021,199	1,024,575	1,024,576	1,034,355	1,034,355	-	9
10	FTA Operating/Planning Grants	145,417	41,200	262,525	193,000	292,000	99,000	10
11	State/Local Operating Grant	786,611	-	3,286,204	78,000	191,000	113,000	11
12	Preventive Maintenance Funding	3,100,000	-	-	-	0	-	12
13	JPB Member Agencies	36,071,759	37,153,912	37,153,912	38,268,530	38,268,530	-	13
14	Other Sources	-	5,858,281	4,900,002	4,550,000	4,550,000	-	14
15	TOTAL CONTRIBUTED REVENUE	41,124,986	44,077,968	46,627,219	44,123,885	44,335,885	212,000	15
16								16
17	GRAND TOTAL REVENUE	77,845,798	83,360,719	86,385,470	87,267,614	89,146,105	1,878,491	17
18								18
19	EXPENSE							19
20								20
21	OPERATING EXPENSE:							21
22	Rail Operator Service	47,728,595	54,669,110	53,169,110	55,717,740	55,817,740	100,000	22
23	Rail Operator Extra Work	(483,158)	145,000	145,000	130,000	130,000	-	23
24	Contract Operating & Maintenance	47,245,437	54,814,110	53,314,110	55,847,740	55,947,740	100,000	24
25	Shuttle Service	2,693,213	2,929,231	2,929,231	2,834,540	2,864,540	30,000	25
26	Fuel	10,350,456	10,147,799	11,647,799	11,411,992	12,454,575	1,042,583	26
27	Timetables and Tickets	245,972	275,000	275,000	223,000	223,000	-	27
28	Insurance	3,097,634	3,810,078	3,810,078	3,810,000	3,810,000	-	28
29	Facilities and Equipment Maintenance	1,529,807	1,546,600	1,546,600	2,393,440	2,393,440	-	29
30	Utilities	682,599	937,260	937,260	1,712,700	1,712,700	-	30
31	Services	705,359	990,402	990,402	1,162,660	1,162,660	-	31
32	TOTAL OPERATING EXPENSE	66,550,477	75,450,480	75,450,480	79,396,072	80,568,655	1,172,583	32
33								33
34	ADMINISTRATIVE EXPENSE							34
35	Wages & Benefits	4,079,945	5,009,905	5,009,905	5,466,425	5,466,425	-	35
36	Board of Directors	13,010	19,300	19,300	16,300	16,300	-	36
37	Professional Services	720,547	1,322,568	1,572,568	1,519,350	1,731,350	212,000	37
38	Communications and Marketing	281,926	298,400	298,400	331,500	331,500	-	38
39	Office Expense	934,044	893,876	893,876	981,272	981,272	-	39
40	TOTAL ADMINISTRATIVE EXPENSE	6,029,472	7,544,049	7,794,049	8,314,847	8,526,847	212,000	40
41								41
42	Total Debt Service	363,199	366,190	366,190	366,659	860,567	493,908	42
43								43
44	CEMOF Transition Costs - Startup Expenses	-	-	1,500,000	-	-	-	44
45								45
46	GRAND TOTAL EXPENSE	72,943,148	83,360,719	85,110,719	88,077,578	89,956,069	1,878,491	46
47								47
48	TO/(FROM) RESERVES	4,902,650	-	1,274,751	(809,964)	(809,964)	-	48
49								49
50	GRAND TOTAL REVENUE OVER(UNDER)	-	-	-	-	-	-	50

* Capital Contingency Funds (CCF) for FY2008 have been included in the Caltrain Capital budget. Both FY2006 and FY2007 Operating budgets included $710,000 for CCF, which has been removed here for comparison purposes.

RESOLUTION NO. 2008 –

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

*** * ***

AUTHORIZING AN INCREASE TO THE FISCAL YEAR 2008 OPERATING BUDGET
IN THE AMOUNT OF $1,878,491 FOR A TOTAL BUDGET OF $89,956,069.

WHEREAS, the Joint Powers Agreement establishing the Peninsula Corridor Joint Powers Board (JPB) requires approval of an operating budget each year; and

WHEREAS, on June 7, 2007, pursuant to Resolution No. 2007-26, the Board adopted the Fiscal Year 2008 Operating Budget in the amount of $88,077,578 reflecting the then-projected revenues and expenses associated with the Peninsula Commute Service; and

WHEREAS, since adoption of the Fiscal Year 2008 Operating Budget, staff has learned that additional operating revenue totaling $1,878,491 will become available, and that operating expenses are projected to increase by a like amount, largely due to projected increases in fuel prices, as described in the staff report accompanying this item; and

WHEREAS, the Executive Director recommends that the Board approve an amendment to the Fiscal Year 2008 Operating Budget to increase operating revenues from $87,267,614 to $89,146,105, and to increase operating expenses from $88,077,578 to $89,956,069.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby approves an amendment to the Fiscal Year 2008 Operating Budget to implement the following changes: increase operating revenues from $87,267,614 to $89,146,105, and to increase operating expenses from $88,077,578 to $89,956,069.

Regularly passed and adopted this 7th day of February, 2008 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Board of Directors

ATTEST:

____
JPB Secretary

AGENDA ITEM # 12
FEBRUARY 7, 2008

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Virginia Harrington
Chief Financial Officer

SUBJECT: **AUTHORIZATION TO APPOINT AN INVESTMENT ADVISOR TO EXTEND ADVICE ON PORTFOLIO INVESTMENTS FOR THE JPB**

ACTION

Staff Coordinating Council (SCC) recommends that the Board authorize the Executive Director to appoint Epic Wealth Management (EWM) as an additional investment advisor to the JPB through a three-year expansion of the contractual arrangements between EWM and the San Mateo County Transit District (District), with two one-year options.

SIGNIFICANCE

SCC is interested in investing a limited amount of the JPB's available funds through EWM with the remaining balance continuing to be invested through the County Pool. EWM (assigned from Harris Bretall) has been advising the District on all portfolio investments for many years and has consistently exceeded benchmarks established in their investment policy for return on investment. The District's investment options also include the Local Agency Investment Fund (LAIF) which is not managed by EWM. EWM takes LAIF returns into account when advising on the portfolio in order to maximize the benefit to the District. In JPB's case, EWM would take the San Mateo County Pool (County Pool) returns into account when advising on the JPB's portfolio in order to maximize the benefit to the JPB. EWM has performed remarkably in areas such as anticipating recent effects of sub-prime mortgages on the market and removing the risk from the District's portfolio before the effects hit the market. The District has been impressed and pleased with the performance of EWM and the JPB is interested in benefiting from this positive relationship. The returns the District is experiencing on its portfolio have consistently exceeded the JPB's return on its investments with the County Pool, while the safety and liquidity of the principal have remained the values of highest importance.

The District and the JPB may contract with EWM without conducting a formal solicitation process if it is in the best interests of each agency.

1408841.2

According to each agency's Procurement Policy, "Discretion to Waive the Competitive Process," section K, page 5:

> *"The Board of Directors, or the General Manager/CEO for procurements within his procurement authority, may waive the requirements for formal competitive bidding or other procedures set forth in this Policy when permissible under applicable law, when a determination is made that the best interests of the District are served thereby, and provided there is adequate documentation of the need for such material, supplies, equipment, public works or services. These circumstances shall be evaluated on a case-by-case basis, keeping in mind the fundamental principles of procurement set forth in this Policy. The findings justifying the waiver must be documented in the record."*

The JPB finds that EWM's low fees and high performance relative to the County Pool, as well as the JPB's desire to have the same investment advisor as the District, warrant the waiver of the competitive process in this case.

BUDGET IMPACT

Fees for investing through the County Pool have been consistently provided for in the JPB's budgets for many years as an offset to interest income. Fiscal Year 2008 budget includes sufficient funding for investment advisory services. The EWM proposed fee structure includes a blended rate of approximately 0.07 percent, see below, which is a result of pooling and leveraging the combined Agencies buying power having EWM manage JPB funds collectively with District funds. With the proposed blended fee rate, staff expects the fee percent based on investment balances to decrease over the next couple of years.

BACKGROUND

The District's portfolio is overseen by Bill Osher at EWM, who will update the Board on a quarterly basis. Mr. Osher was formerly with Harris Bretall and moved the District's business with him when he became a representative of EWM.

EWM's specialty is the management of limited duration, high quality portfolios whose primary objective is capital preservation as well as providing stability and income. EWM performs quantitative analysis within a proprietary economic framework and strategically places investments to provide the highest total rate of return while minimizing risk.

Specifically, as it relates to the District, EWM has demonstrated their leading role as an investment provider. EWM has capitalized on the District's investments even during the recent downturn in the market. The sub-prime mortgage market created large losses for investors and put many mortgage lending companies out of business. This was just one of the major events causing a huge downturn domino effect within the market and across the board.

Given the series of volatile economic sequences of events that are affecting the market, the following chart (Exhibit A) illustrates the comparison between quarterly administrative fees, quarterly yield to maturity rates, along with quarterly and monthly return on investment rates. The initial plan for the JPB is to gradually allocate approximately $10 million to EWM for investment at intervals when it is in the best interest of the JPB to do so. The CFO will maintain the responsibility of making and approving all specific investment decisions and investment plan recommendations prior to initiation. The nominal investment portfolio maintained by the JPB is made up of funds committed for capital projects.

Prepared By: Chiquita D. Tuttle, Manager, Finance Special Projects 650.622.8013

EXHIBIT A

The tables below compare the costs and returns of EWM versus the County Pool over the last five quarters.

FEE RATES - QUARTERLY	9/30/06	12/31/06	3/30/07	6/30/07	9/30/07	AVG %	
EPIC WEALTH	0.08%	0.08%	0.08%	0.08%	0.09%	0.08%	
COUNTY POOL	0.12%	0.12%	0.13%	0.13%	0.13%	0.13%	
						-0.04%	Average Difference

YTM - QUARTERLY *(annualized @ cost)*	9/30/06	12/31/06	3/30/07	6/30/07	9/30/07	AVG %	
EPIC WEALTH	5.03%	5.15%	5.24%	5.29%	5.29%	5.20%	
COUNTY POOL	5.60%	4.50%	4.70%	4.70%	4.50%	4.80%	
						0.40%	Average Difference

ROI - QUARTERLY *(Unrealized gains/losses)*	9/30/06	12/31/06	3/30/07	6/30/07	9/30/07	AVG %	
EPIC WEALTH	2.18%	1.33%	1.32%	0.86%	2.49%	1.64%	
COUNTY POOL	1.70%	1.25%	1.36%	1.09%	-0.20%	1.04%	
						0.60%	Average Difference

ROI - MONTHLY *(Unrealized gains/losses)*	5/31/07	6/30/07	7/31/07	8/31/07	9/30/07	AVG %	
EPIC WEALTH	0.11%	0.35%	0.83%	0.81%	0.84%	0.59%	
COUNTY POOL	0.28%	0.38%	-1.12%	0.37%	0.56%	0.09%	
						0.49%	Average Difference

1408841.2

RESOLUTION NO. 2008-

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

****

AUTHORIZING THE APPOINTMENT OF AN INVESTMENT ADVISOR
FOR THE PENINSULA CORRIDOR JOINT POWERS BOARD

WHEREAS, in accordance with the Peninsula Corridor Joint Powers Board ("JPB") and San Mateo County Transit District ("District") Procurement Policy, section K, 'Discretion to Waive the Competitive Process', the JPB and District have discretion to waive the competitive procurement process when it is in the best interest of each agency to do so; and

WHEREAS, the District has been utilizing the services of Epic Wealth Management ("EWM") for many years; and

WHEREAS, the District is very pleased with the performance of EWM; and

WHEREAS, the District plans to recommend extending the contract with EWM for a period of three years with two subsequent one year extension options; and

WHEREAS, the District plans to recommend expanding the services of EWM to include the JPB so that the JPB may benefit from the District's relationship with EWM; and

WHEREAS, the JPB would like to retain EWM's investment advisory services because of its low fees, high performance, and so that it may share advising services with the District; and

WHEREAS, Staff Coordinating Council recommends that the Board appoint EWM as an additional investment advisor to the JPB through an expansion of the contractual arrangements between EWM and the District.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board authorizes the Executive Director (or his designee) to appoint EWM as an investment advisor and enter into a contract with EWM to provide investment advisory services to the JPB.

Regularly passed and adopted this 7th day of February 2008 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

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JPB Secretary

AGENDA ITEM # 13
FEBRUARY 7, 2008

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: George Cameron, Chief Administrative Officer
Ian McAvoy, Chief Development Officer

SUBJECT: **AUTHORIZATION TO USE THE COMPETITIVE NEGOTIATION PROCUREMENT PROCESS TO PROCURE A PREDICTIVE ARRIVAL/DEPARTURE SYSTEM**

ACTION

Staff Coordinating Council recommends that the Board authorize use of the competitive negotiation procurement process, in accordance with California Public Contract Code Sections 20216-20217, in lieu of a sealed competitive bidding process, to procure a predictive arrival/departure system.

SIGNIFICANCE

Approval of the above action will enable staff to use the more flexible competitive negotiation procurement process to evaluate important matters such as technical expertise, experience, past performance, vendor stability, production schedules, after market support, and other factors, in addition to price, which otherwise would not be allowed in a sealed bid process.

The purpose of the procurement is to enhance the existing Predictive Arrival/ Departure System to track the trains accurately and predict the time the trains will arrive or depart from the stations. The enhancement will allow JPB to easily develop the Real Time Passenger Information System. All the estimated arrival times will be transmitted to the Metropolitan Transportation Commission's (MTC's) server in a format specified by MTC in order for them to display the information on their 511.org Website. It will include hardware, software, licenses or expertise necessary to implement the Real Time Passenger Information System. The selected proposer will be responsible for providing options for maintenance and support of the system including servers and communications.

BUDGET IMPACT

Authorization of the use of the competitive negotiation process will not have any impact on the budget.

Funding for the PADS project will come from Regional Measure 2 (RM2) funds. On March 2, 2004 voters passed RM2 which raised the toll on the seven State-owned toll bridges in the San Francisco Bay Area by $1.00. The dollar increase is to fund various transportation improvement projects within the region.

BACKGROUND

Caltrain uses the DigiCon Traffic Control System from Digital Concept, Inc. in Canonsburg, Pennsylvania to manage its trains. The DigiCon system handles train tracking, dispatching and routing. It also contains train sheets that have train information such as train ID, crew and schedule adherence. The system has an Open Message Interface module to interface with external systems.

Caltrain uses the Daktronics Venus 1500 Software Controller to display messages on the platform Visual Message Signs (VMS). All nine stations in this project have at least one VMS sign at the station. In order to develop an interface with the Daktronics system, a Software Development Kit (SDK) will have to be obtained from Daktronics.

Both the DigiCon and the Daktronics systems are housed at the Central Control Facility (CCF) in San Jose, CA. Communications lines from the CCF to the stations for the VMS signs are through leased telephone lines.

Contract Officer: Brian Geiger 650.508.7973
Project Manager: Robert Tam, Manager, Technology Research and Development 650.508.7969

RESOLUTION NO. 2008-

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

****

AUTHORIZING THE USE OF THE COMPETITIVE NEGOTIATION PROCESS
TO PROCURE A PREDICTIVE TRAIN ARRIVAL/DEPARTURE SYSTEM

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) desires to use the competitive negotiation procurement process, as authorized and prescribed in Public Contract Code Section 20216-20217, to purchase a Predictive Train Arrival/Departure System in order to enhance the JPB's existing Predictive Train Arrival/Departure System and develop the Real Time Passenger Information System; and

WHEREAS, the statutory provisions referenced above permit the JPB to utilize the competitive negotiation procurement process for a Predictive Train Arrival/Departure System, upon a finding of a two-thirds vote of the Board of Directors (Board) that the purchase of a Predictive Train Arrival/Departure System pursuant to a conventional sealed low bid procedure does not constitute a method of procurement adequate for the JPB's needs; and

WHEREAS, staff has determined that a competitive negotiation process, in contrast to a sealed competitive bidding process, will allow the JPB to consider other important factors along with price, such as equipment design, technical expertise, experience, past performance, vendor stability, production schedules, and software support in selecting the most advantageous proposal for the JPB; and

WHEREAS, the Executive Director recommends that the use of the competitive negotiation process best addresses the JPB's needs in the procurement of a Predictive Train Arrival/Departure System.

NOW, THEREFORE, BE IT RESOLVED that the Board finds and declares that the use of the sealed competitive bidding process is not a method of procurement adequate for the JPB's needs in the procurement of a Predictive Train Arrival/Departure System; and

BE IT FURTHER RESOLVED that the Board hereby authorizes and declares its approval for the JPB to use the competitive negotiation process in accordance with Public Contract Code Sections 20216-20217 to procure a Predictive Train Arrival/Departure System.

Regularly passed and adopted this 7th day of February, 2008 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Board of Directors

ATTEST:

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JPB Secretary

AGENDA ITEM # 14
FEBRUARY 7, 2008

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Rita P. Haskin
Chief Communications Officer

SUBJECT: **CALTRAIN CUSTOMER SURVEY KEY FINDINGS**

ACTION

This report is for information only. A presentation will be made. No board action is required.

SIGNIFICANCE

Staff will present the key findings of the Caltrain customer survey at the committee meeting.

Caltrain conducted a survey of its customers with the following objectives:

- Determine trip characteristics, such as level of usage, trip purpose and fare category
- Assess the ratings of seven specific service characteristics
- Identify sources used by customers for local news
- Identify how customers receive information about Caltrain
- Provide current customer profile.

The information will be used to plan future communications and promotions.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Caltrain retained the services of Corey, Canapary & Galanis Research of San Francisco through a competitive process. CC&G surveyed 4,204 customers in October 2007, which was an 82 percent response rate. The survey was administered in both English and Spanish.

Prepared by: Rita P. Haskin, Chief Communications Officer 650.508.6248